

104TH CONGRESS
1ST SESSION

H. R. 2195

To establish limits on Commodity Credit Corporation farm and export expenditures for the 1996 through 2002 crop years, to authorize the use of market transition contracts to support farming certainty and flexibility and ensure continued compliance with farm conservation compliance plans and wetland protection, to make marketing assistance loans available for certain crops, to establish a commission to examine the future of production agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Mr. ROBERTS (for himself, Mr. BARRETT of Nebraska, Mr. BOEHNER, Mr. HOSTETTLER, and Mr. SMITH of Michigan) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish limits on Commodity Credit Corporation farm and export expenditures for the 1996 through 2002 crop years, to authorize the use of market transition contracts to support farming certainty and flexibility and ensure continued compliance with farm conservation compliance plans and wetland protection, to make marketing assistance loans available for certain crops, to establish a commission to examine the future of production agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Freedom to Farm Act of 1995”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—COMMODITY CREDIT CORPORATION FARM
EXPENDITURES**

Sec. 101. Total and annual limits on Commodity Credit Corporation farm and
export expenditures for 1996 through 2002 crop years.

**TITLE II—ACTIVITIES IN SUPPORT OF FARMING UNDER
AGRICULTURAL ACT OF 1949**

Sec. 201. Seven-year contracts to improve farming certainty and flexibility.

Sec. 202. Availability of nonrecourse marketing assistance loans for wheat, feed
grains, cotton, rice, and oilseeds.

Sec. 203. Reform of payment limitation provisions of Food Security Act of
1985.

**TITLE III—COMMISSION ON 21ST CENTURY PRODUCTION
AGRICULTURE**

Sec. 301. Establishment.

Sec. 302. Composition.

Sec. 303. Comprehensive review of past and future of production agriculture.

Sec. 304. Reports.

Sec. 305. Powers.

Sec. 306. Commission procedures.

Sec. 307. Personnel matters.

Sec. 308. Termination of Commission.

**TITLE IV—SUSPENSION OF CERTAIN PROVISIONS
REGARDING PROGRAM CROPS**

Sec. 401. Wheat.

Sec. 402. Feed grains.

Sec. 403. Cotton.

1 **TITLE I—COMMODITY CREDIT**
2 **CORPORATION FARM EX-**
3 **PENDITURES**

4 **SEC. 101. TOTAL AND ANNUAL LIMITS ON COMMODITY**
5 **CREDIT CORPORATION FARM AND EXPORT**
6 **EXPENDITURES FOR 1996 THROUGH 2002**
7 **CROP YEARS.**

8 Section 102 of the Agricultural Act of 1949 (7 U.S.C.
9 1443), which is obsolete, is amended to read as follows:

10 **“SEC. 102. TOTAL AND ANNUAL LIMITS ON COMMODITY**
11 **CREDIT CORPORATION FARM AND EXPORT**
12 **EXPENDITURES FOR 1996 THROUGH 2002**
13 **CROP YEARS.**

14 “(a) FARM PROGRAMS DEFINED.—For purposes of
15 this section, the term ‘farm programs’ means the following
16 programs and activities funded through the Commodity
17 Credit Corporation:

18 “(1) Market transition contracts under section
19 102A.

20 “(2) Marketing assistance loans for wheat, feed
21 grains, upland cotton, extra long staple cotton, rice,
22 and oilseeds under section 102B.

23 “(3) Price support activities conducted under
24 this Act for milk, peanuts, sugar, and other agricul-
25 tural commodities.

1 “(b) TOTAL EXPENDITURES.—Total Commodity
2 Credit Corporation expenditures in support of farm pro-
3 grams and export programs for the 1996 through 2002
4 crop years may not exceed \$43,200,000,000.

5 “(c) TOTAL EXPENDITURES PER CROP YEAR.—Be-
6 ginning in fiscal year 1996, the Secretary shall expend,
7 to the maximum extent practicable, on a fiscal year basis
8 the following amounts in support of farm programs and
9 export programs:

10 “(1) For the 1996 crop year, \$7,600,000,000.

11 “(2) For the 1997 crop year, \$6,670,000,000.

12 “(3) For the 1998 crop year, \$6,520,000,000.

13 “(4) For the 1999 crop year, \$6,300,000,000.

14 “(5) For the 2000 crop year, \$6,070,000,000.

15 “(6) For the 2001 crop year, \$5,060,000,000.

16 “(7) For the 2002 crop year, \$4,960,000,000.”.

17 **TITLE II—ACTIVITIES IN SUP-**
18 **PORT OF FARMING UNDER**
19 **AGRICULTURAL ACT OF 1949**

20 **SEC. 201. SEVEN-YEAR CONTRACTS TO IMPROVE FARMING**
21 **CERTAINTY AND FLEXIBILITY.**

22 (a) CONTRACTS AUTHORIZED.—The Agricultural Act
23 of 1949 is amended by inserting after section 102 (7
24 U.S.C. 1443), as amended by section 101 of this Act, the
25 following new section:

1 **“SEC. 102A. SEVEN-YEAR MARKET TRANSITION CON-**
2 **TRACTS.**

3 “(a) CONTRACTS AUTHORIZED.—

4 “(1) OFFER AND MAIN TERMS.—Beginning as
5 soon as possible after the date of the enactment of
6 this section, the Secretary shall offer to enter into
7 a market transition contract with willing producers
8 on a farm containing eligible farmland. Under the
9 terms of a market transition contract, the producers
10 shall agree, in exchange for annual payments under
11 the contract, to comply with the conservation compli-
12 ance plan for the farm prepared in accordance with
13 section 1212 of the Food Security Act of 1985 (16
14 U.S.C. 3812) and wetland protection requirements
15 applicable to the farm under subtitle C of title XII
16 of such Act (16 U.S.C. 3821 et seq.).

17 “(2) TIME FOR CONTRACTING.—

18 “(A) DEADLINE.—Except as provided in
19 subparagraph (B), the Secretary may not enter
20 into a market transition contract after April 15,
21 1996.

22 “(B) SPECIAL RULE FOR CONSERVATION
23 RESERVE LANDS.—The producers on a farm
24 covered by a conservation reserve contract
25 under section 1231 of the Food Security Act of
26 1985 (16 U.S.C. 3831) expiring after April 15,

1 1996, may enter into or expand a market tran-
2 sition contract, within 90 days after the expira-
3 tion of the conservation reserve contract, to
4 cover the eligible farmland that was subject to
5 the conservation reserve contract.

6 “(3) DURATION OF CONTRACT.—The term of
7 each market transition contract shall—

8 “(A) begin with the 1996 crop year, or the
9 crop year in which the contract is entered into
10 in the case of a contract entered into after
11 April 15, 1996; and

12 “(B) extend through the 2002 crop year.

13 “(4) ESTIMATION OF PAYMENTS.—At the time
14 the Secretary enters into a market transition con-
15 tract, the Secretary shall provide an estimate of the
16 minimum payments anticipated to be made under
17 the contract for at least the first crop year covered
18 by the contract. If the actual payment under the
19 contract for the first year is more than five percent
20 less than the estimated payment, the producer may
21 terminate the contract without penalty.

22 “(b) ELIGIBLE FARMLAND DESCRIBED.—Land shall
23 be considered to be farmland eligible for coverage under
24 a market transition contract only if the land has crop acre-
25 age base attributable to the land and—

1 “(1) for at least three of the 1991 through
2 1995 crop years, served as the basis for deficiency
3 payments for rice, upland cotton, feed grains, or
4 wheat under section 101B, 103B, 105B, or 107B or
5 was included in the cropland affected by the 15 per-
6 cent reduction in payment acres required under
7 these sections;

8 “(2) was subject to a conservation reserve con-
9 tract under section 1231 of the Food Security Act
10 of 1985 (16 U.S.C. 3831) whose term expired on or
11 after January 1, 1995; or

12 “(3) is released from coverage under a con-
13 servation reserve contract, either through buy out of
14 the contract or at the discretion of the Secretary,
15 during the period beginning on January 1, 1995,
16 and ending on April 15, 1996.

17 “(c) TIME FOR PAYMENT.—Payments under a mar-
18 ket transition contract shall be made not later than Octo-
19 ber 15 of each year covered by the contract, except that,
20 in the case of payments for crop years 1997 through 2002,
21 half of the annual payment may be provided in advance
22 not later than March 15 of the same year at the option
23 of the producer.

24 “(d) DETERMINATION OF TOTAL AMOUNTS AVAIL-
25 ABLE FOR PAYMENTS.—

1 “(1) CONTRACT COMMODITY DEFINED.—For
2 purposes of this subsection and subsection (e), the
3 term ‘contract commodity’ means rice, upland cot-
4 ton, feed grains, or wheat.

5 “(2) HISTORIC EXPENDITURE LEVELS.—

6 “(A) IN GENERAL.—For each contract
7 commodity, the Secretary shall calculate the
8 total expenditures that were made for the 1991
9 through 1995 crops of that contract commodity
10 under section 101B, 103B, 105B, or 107B, in-
11 cluding expenditures in the form of deficiency
12 payments, loan deficiency payments and gains
13 realized from repaying loans at a level less than
14 the original level, and marketing certificates.

15 “(B) SPECIAL RULE FOR 1996.—For pur-
16 poses of applying paragraph (1) for the 1996
17 crop year, the Secretary may use an estimate of
18 expenditures under section 101B, 103B, 105B,
19 or 107B for the 1995 crop of each contract
20 commodity. The Secretary shall base such esti-
21 mate on information contained in the Presi-
22 dent’s budget for fiscal year 1997 submitted to
23 the Congress under section 1105 of title 31,
24 United States Code.

1 “(3) AMOUNTS AVAILABLE FOR 1996 THROUGH
2 2002 CROP YEARS.—The amount available for a crop
3 year for payments with respect to crop acreage base
4 of a contract commodity included in market transi-
5 tion contracts shall be equal to the product of—

6 “(A) the ratio of the amount calculated
7 under paragraph (2) for that contract commod-
8 ity to the total amount calculated for all con-
9 tract commodities under such paragraph; and

10 “(B) the portion of the amount specified in
11 section 102(c) that is available for expenditure
12 for that crop year in support of market transi-
13 tion contracts in effect for that crop year.

14 “(e) DETERMINATION OF PAYMENTS UNDER PAR-
15 TICULAR CONTRACT.—

16 “(1) INDIVIDUAL PRODUCTION OF CONTRACT
17 COMMODITIES.—For each market transition con-
18 tract, the amount of production of a contract com-
19 modity covered by the contract shall be equal to the
20 product of—

21 “(A) the crop acreage base of that contract
22 commodity attributable to the eligible farmland
23 subject to the contract; and

24 “(B) the farm program payment yield in
25 effect for the 1995 crop of that contract com-

1 modity for the farm containing that eligible
2 farmland.

3 “(2) ANNUAL TOTAL PRODUCTION OF CON-
4 TRACT COMMODITIES.—For each of the 1996
5 through 2002 crop years, the total production of
6 each contract commodity covered by all market tran-
7 sition contracts shall be equal to the sum of the
8 amounts calculated under paragraph (1) for each in-
9 dividual market transition contract in effect for that
10 crop year.

11 “(3) ANNUAL PAYMENT RATE.—The payment
12 rate for a contract commodity for a crop year shall
13 be equal to—

14 “(A) the amount made available under
15 subsection (d)(3) for that contract commodity
16 for that crop year; divided by

17 “(B) the amount determined under para-
18 graph (2) for that crop year.

19 “(4) ANNUAL PAYMENT AMOUNT.—For each of
20 the 1996 through 2002 crop years, the amount to be
21 paid under a particular market transition contract
22 for a crop year with respect to a contract commodity
23 shall be equal to the product of—

1 “(A) the amount determined under para-
2 graph (1) for that contract for that contract
3 commodity; and

4 “(B) the payment rate in effect under
5 paragraph (3) for that crop year for that con-
6 tract commodity.

7 “(f) LIMITATION ON TOTAL AMOUNT OF PAY-
8 MENT.—The total amount of payments made to a person
9 under a market transition contract for any year may not
10 exceed \$50,000. The Secretary shall issue regulations de-
11 fining the term ‘person’ as used in this subsection, which
12 shall conform, to the extent practicable, to the regulations
13 defining the term ‘person’ issued under section 1001 of
14 the Food Security Act of 1985 (7 U.S.C. 1308). In the
15 case of payments under a market transition contract pro-
16 vided to corporations and other persons described in para-
17 graph (5)(B)(i)(II) of such section, the Secretary shall
18 comply with the attribution requirements specified in
19 paragraph (5)(C) of such section.

20 “(g) EFFECT OF VIOLATION.—

21 “(1) TERMINATION OF CONTRACT.—If the Sec-
22 retary determines that a producer on a farm con-
23 taining eligible farmland subject to a market transi-
24 tion contract is in violation, or has violated, the con-
25 servation compliance plan for the farm containing

1 the eligible farmland or wetland protection require-
2 ments applicable to the farm, the Secretary may ter-
3 minate the market transition contract with respect
4 to that producer. Upon such termination, the pro-
5 ducer shall forfeit all rights to receive future pay-
6 ments under the contract and shall refund to the
7 Secretary all payments under the contract received
8 by the producer during the period of the violation,
9 together with interest thereon as determined by the
10 Secretary.

11 “(2) REFUND OR ADJUSTMENT.—If the Sec-
12 retary determines that a violation of a market tran-
13 sition contract does not warrant termination of the
14 contract under paragraph (1), the Secretary may re-
15 quire the producer—

16 “(A) to refund to the Secretary that part
17 of the payments received by the producer dur-
18 ing the period of the violation, together with in-
19 terest thereon as determined by the Secretary;
20 or

21 “(B) to accept an adjustment in the
22 amount of future payments otherwise required
23 under the contract.

24 “(3) FORECLOSURE.—A producer who is a
25 party to a market transition contract may not be re-

1 quired to make repayments to the Secretary of
2 amounts received under the contract if the eligible
3 farm land that is subject to the contract has been
4 foreclosed upon and the Secretary determines that
5 forgiving such repayments is appropriate in order to
6 provide fair and equitable treatment. This paragraph
7 shall not void the responsibilities of such a producer
8 under the contract if the producer continues or re-
9 sumes operations or to exercise control over the
10 property that is subject to the contract within the
11 period specified in the contract. Upon the resump-
12 tion of operation or control over the property by the
13 producer, the provisions of the contract in effect on
14 the date of the foreclosure shall apply.

15 “(4) REVIEW.—A determination of the Sec-
16 retary under this subsection shall be considered to
17 be an adverse decision for purposes of the availabil-
18 ity of review of the determination by the National
19 Appeals Division under subtitle H of title II of the
20 Federal Crop Insurance Reform and Department of
21 Agriculture Reorganization Act of 1994 (7 U.S.C.
22 6991 et seq.).

23 “(h) TRANSFER OF INTEREST IN LANDS SUBJECT
24 TO CONTRACT.—

1 “(1) EFFECT OF TRANSFER.—Except as pro-
2 vided in paragraph (2), the transfer of the right and
3 interest of a producer in eligible farmland subject to
4 a market transition contract shall result in the ter-
5 mination of the contract with respect to that farm-
6 land, effective on the date of the transfer, unless the
7 transferee of the land agrees with the Secretary to
8 assume all obligations of the contract. At the request
9 of the transferee, the Secretary may modify the con-
10 tract if the modifications are consistent with the ob-
11 jectives of this section as determined by the Sec-
12 retary.

13 “(2) EXCEPTION.—If a producer who is entitled
14 to a payment under a market transition contract
15 dies, becomes incompetent, or is otherwise unable to
16 receive such payment, the Secretary shall make such
17 payment, in accordance with regulations prescribed
18 by the Secretary and without regard to any other
19 provision of law, in such manner as the Secretary
20 determines is fair and reasonable in light of all of
21 the circumstances.

22 “(i) PLANTING FLEXIBILITY.—

23 “(1) PERMITTED CROPS.—In the case of acre-
24 age on a farm that serves as the basis for payments

1 under a market transition contract, producers on the
2 farm may plant for harvest on the acreage—

3 “(A) rice, upland cotton, feed grains, and
4 wheat;

5 “(B) any oilseed;

6 “(C) any industrial or experimental crop
7 designated by the Secretary;

8 “(D) any other crop, except any fruit or
9 vegetable crop (including potatoes and dry edi-
10 ble beans) unless such fruit or vegetable crop is
11 designated by the Secretary as—

12 “(i) an industrial or experimental
13 crop; or

14 “(ii) a crop for which no substantial
15 domestic production or market exists; and

16 “(E) mung beans.

17 “(2) NOTIFICATION.—With regard to commod-
18 ities that may be planted pursuant to this sub-
19 section, the Secretary shall make a determination in
20 each crop year of the commodities that may not be
21 planted pursuant to this subsection and shall make
22 available a list of the commodities.

23 “(3) CONSERVATION USES.—In lieu of planting
24 any crop specified in paragraph (1), the producers
25 on a farm may devote to conservation uses all or

1 part of the eligible farmland subject to a market
2 transition contract, in accordance with regulations
3 issued by the Secretary.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) WHEAT 0/85 PROGRAM.—Section
6 107B(c)(1)(E) of the Agricultural Act of 1949 (7
7 U.S.C. 1445b–3a(c)(1)(E)) is amended by striking
8 “through 1997” in clauses (i) and (vii) each place
9 it appears and inserting “and 1995”.

10 (2) FEED GRAINS 0/85 PROGRAM.—Section
11 105B(c)(1)(E) of such Act (7 U.S.C.
12 1444f(c)(1)(E)) is amended by striking “through
13 1997” in clauses (i) and (vii) each place it appears
14 and inserting “and 1995”.

15 (3) COTTON PROGRAM.—Section 103B of such
16 Act (7 U.S.C. 1444–2) is amended—

17 (A) in the section heading, by striking
18 “**1997**” and inserting “**1995**”;

19 (B) in subsections (a)(1), (b)(1), (c)(1)(A),
20 (c)(1)(B)(ii), and (o), by striking “1997” each
21 place it appears and inserting “1995”;

22 (C) in subsections (c)(1)(D)(i) and
23 (c)(1)(D)(v)(II) by striking “through 1997”
24 each place it appears and inserting “and 1995”;

1 (D) in the heading of subsection
2 (c)(1)(D)(v)(II), by striking “THROUGH 1997
3 CROPS” and inserting “AND 1995 CROPS”;

4 (E) in subsection (e)(1)(D), by striking
5 “29½ percent for each of the 1995 and 1996
6 crops, and 29 percent for the 1997 crop” and
7 inserting “and 29½ percent for the 1995
8 crop”; and

9 (F) in subparagraphs (B)(i), (D)(i), (E)(i),
10 and (F)(i) of subsection (a)(5), by striking
11 “1998” each place it appears and inserting
12 “1996”.

13 (4) RICE 50/85 PROGRAM.—Section 101B of
14 such Act (7 U.S.C. 1441–2) is amended—

15 (A) in subsections (c)(1)(D)(i) and
16 (c)(1)(D)(v)(II), by striking “through 1997”
17 each place it appears and inserting “and 1995”;
18 and

19 (B) in the heading of subsection
20 (c)(1)(D)(v)(II), by striking “THROUGH 1997
21 CROPS” and inserting “AND 1995 CROPS”.

22 (5) CROP ACREAGE BASE.—Section 509 of such
23 Act (7 U.S.C. 1469) is amended by striking “effec-
24 tive only for the 1991 through 1997 program crops”
25 and inserting “effective only until January 1, 1996”.

1 **SEC. 202. AVAILABILITY OF NONRECOURSE MARKETING AS-**
2 **SISTANCE LOANS FOR WHEAT, FEED GRAINS,**
3 **COTTON, RICE, AND OILSEEDS.**

4 (a) NONRECOURSE LOANS AVAILABLE.—The Agri-
5 cultural Act of 1949 is amended by inserting after section
6 102A, as added by section 201 of this Act, the following
7 new section:

8 **“SEC. 102B. NONRECOURSE MARKETING ASSISTANCE**
9 **LOANS FOR CERTAIN CROPS.**

10 “(a) NONRECOURSE LOANS AVAILABLE.—For each
11 of the 1996 through 2002 crops of wheat, feed grains, up-
12 land cotton, extra long staple cotton, rice, and oilseeds,
13 the Secretary shall make available to eligible producers on
14 a farm nonrecourse marketing assistance loans under
15 terms and conditions that are prescribed by the Secretary
16 and at a loan rate calculated under subsection (b). A mar-
17 keting assistance loan shall have a term of nine months
18 beginning on the first day of the first month after the
19 month in which the loan is made. The Secretary may not
20 extend the term of a marketing assistance loan.

21 “(b) ANNOUNCEMENT OF LOAN RATE.—The Sec-
22 retary shall announce the loan rate for each commodity
23 specified in subsection (a) not later than the start of the
24 marketing year of the commodity for which the loan rate
25 is to be in effect.

26 “(c) CALCULATION OF LOAN RATE.—

1 “(1) CALCULATION.—Subject to adjustment
2 under paragraph (2), the loan rate for marketing as-
3 sistance loans under subsection (a) for a particular
4 commodity specified in such subsection shall be
5 equal to 70 percent of the simple average price re-
6 ceived by producers of that commodity during the
7 marketing years for the immediately preceding five
8 crops of that commodity.

9 “(2) REQUIRED BUDGETARY ADJUSTMENTS.—
10 If the Secretary estimates for one of the marketing
11 years for the 1996 through 2002 crops of a particu-
12 lar commodity specified in subsection (a) that the
13 average price to be received by producers of that
14 commodity is likely to be less than the loan rate cal-
15 culated under paragraph (1) for that marketing
16 year, the Secretary shall reduce the loan rate for
17 that commodity for that marketing year by an
18 amount sufficient to enable the Secretary to provide
19 marketing assistance loans at no net cost to the
20 Federal Government by preventing the accumulation
21 of that commodity by the Commodity Credit Cor-
22 poration through loan forfeitures.

23 “(3) SIMPLE AVERAGE PRICE.—The Secretary
24 shall be responsible for determining the simple aver-
25 age price received by producers of a commodity spec-

1 ified in subsection (a). In determining the simple av-
2 erage price a commodity for a five-year period, the
3 Secretary shall exclude the year in which the average
4 price was the highest and the year in which the av-
5 erage price was the lowest during the period.

6 “(d) ADJUSTMENTS FOR GRADE, TYPE, QUALITY,
7 LOCATION, AND OTHER FACTORS.—The Secretary may
8 make such adjustments in the announced loan rate for a
9 commodity specified in subsection (a) as the Secretary
10 considers appropriate to reflect differences in grade, type,
11 quality, location, and other factors.

12 “(e) PRODUCERS ELIGIBLE FOR LOANS.—Only the
13 following producers shall be eligible for a marketing assist-
14 ance loan under this section:

15 “(1) In the case of a marketing assistance loan
16 for a crop of wheat, feed grains (other than rye), up-
17 land cotton, extra long staple cotton, or rice, a pro-
18 ducer whose land on which the crop is raised is sub-
19 ject to a market transition contract under section
20 102A.

21 “(2) In the case of a marketing assistance loan
22 for a crop of rye or oilseeds, any producer.

23 “(f) DEFINITIONS.—For purposes of this section:

24 “(1) The term ‘feed grains’ means corn, grain
25 sorghums, barley, oats, and rye.

1 “(2) The term ‘oilseeds’ means soybeans, sun-
2 flower seed, rapeseed, canola, safflower, flaxseed,
3 mustard seed, and, if designated by the Secretary,
4 other oilseeds.”.

5 (b) REPEAL OF FARMER OWNED RESERVE PRO-
6 GRAM.—Section 110 of the Agricultural Act of 1949 (7
7 U.S.C. 1445e) is repealed. The repeal of such section shall
8 not affect the validity or terms and conditions of any ex-
9 tended price support loan provided under such section be-
10 fore the date of the enactment of this Act.

11 (c) REPEAL OF CURRENT ADJUSTMENT AUTHOR-
12 ITY.—Section 403 of the Agricultural Act of 1949 (7
13 U.S.C. 1423) is repealed.

14 **SEC. 203. REFORM OF PAYMENT LIMITATION PROVISIONS**
15 **OF FOOD SECURITY ACT OF 1985.**

16 (a) ATTRIBUTION OF PAYMENTS MADE TO CORPORA-
17 TIONS AND OTHER ENTITIES.—Section 1001(5)(C) of the
18 Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is
19 amended to read as follows:

20 “(C)(i) In the case of payments to corporations and
21 other entities described in subparagraph (B)(i)(II), the
22 Secretary shall attribute payments to individuals in pro-
23 portion to their ownership interests in the corporation or
24 entity receiving the payment or in any other corporation
25 or entity that has a substantial beneficial interest in the

1 corporation or entity actually receiving the payment. This
2 subparagraph shall apply to individuals who hold or ac-
3 quire, directly or through another corporation or entity,
4 a substantial beneficial interest in the corporation or en-
5 tity actually receiving the payment.”.

6 “(ii) In the case of payments to corporations and
7 other entities described in subparagraph (B)(i)(II), the
8 Secretary shall also attribute payments to any State (or
9 political subdivision or agency thereof) or other corpora-
10 tion or entity that has a substantial beneficial interest in
11 the corporation or entity actually receiving the payment
12 in proportion to their ownership interests in the corpora-
13 tion or entity receiving the payment. This subparagraph
14 shall apply even if the payments are also attributable to
15 individuals under clause (i).

16 “(iii) For purposes of this subparagraph, the term
17 ‘substantial beneficial interest’ means not less than five
18 percent of all beneficial interests in the corporation or en-
19 tity actually receiving the payment, except that the Sec-
20 retary may set a lower percentage in order to ensure that
21 the provisions of this section and the scheme or device pro-
22 visions in section 1001B are not circumvented.”.

23 (b) TRACKING PAYMENTS USING SOCIAL SECURITY
24 AND EMPLOYER IDENTIFICATION NUMBERS.—Section

1 1001(5)(A) of the Food Security Act of 1985 (7 U.S.C.
2 1308(5)(A)) is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (i);

5 (2) by redesignating subparagraph (ii) as sub-
6 paragraph (iv); and

7 (3) by inserting after subparagraph (i) the fol-
8 lowing new subparagraphs:

9 “(ii) providing for the tracking of payments
10 made or attributed to an individual on the basis of
11 the social security account number of the individual;

12 “(iii) providing for the tracking of payments
13 made or attributed to a corporation or other entity
14 described in subclause (II) or (III) of subparagraph
15 (B)(i) on the basis of the employer identification
16 number of the corporation or other entity; and”.

17 **TITLE III—COMMISSION ON 21ST**
18 **CENTURY PRODUCTION AGRI-**
19 **CULTURE**

20 **SEC. 301. ESTABLISHMENT.**

21 There is hereby established a commission to be known
22 as the “Commission on 21st Century Production Agri-
23 culture” (hereinafter in this title referred to as the “Com-
24 mission”).

1 **SEC. 302. COMPOSITION.**

2 (a) APPOINTMENT.—The Commission shall be com-
3 posed of 11 members, appointed as follows:

4 (1) Three members shall be appointed by the
5 President.

6 (2) Four members shall be appointed by the
7 Chairman of the Committee on Agriculture of the
8 House of Representatives in consultation with the
9 ranking minority member of the Committee.

10 (3) Four members shall be appointed by the
11 Chairman of the Committee on Agriculture, Nutri-
12 tion, and Forestry of the Senate in consultation with
13 the ranking minority member of the Committee.

14 (b) QUALIFICATIONS.—The members of the Commis-
15 sion shall be appointed from among persons having knowl-
16 edge and experience in agricultural production, marketing,
17 finance, or trade.

18 (c) TERM OF MEMBERS; VACANCIES.—Members of
19 the Commission shall be appointed for the life of the Com-
20 mission. A vacancy on the Commission shall not affect its
21 powers, but shall be filled in the same manner as the origi-
22 nal appointment was made.

23 (d) TIME FOR APPOINTMENT; FIRST MEETING.—
24 The members of the Commission shall be appointed not
25 later than October 1, 1997. The Commission shall convene
26 its first meeting to carry out its duties under this title

1 30 days after six members of the Commission have been
2 appointed.

3 (e) CHAIRMAN.—The chairman of the Commission
4 shall be designated jointly by the Chairman of the Com-
5 mittee on Agriculture of the House of Representatives and
6 the Chairman of the Committee on Agriculture, Nutrition,
7 and Forestry of the Senate from among the members of
8 the Commission.

9 **SEC. 303. COMPREHENSIVE REVIEW OF PAST AND FUTURE**
10 **OF PRODUCTION AGRICULTURE.**

11 (a) INITIAL REVIEW.—The Commission shall conduct
12 a comprehensive review of changes in the condition of pro-
13 duction agriculture in the United States since the date of
14 the enactment of this Act and the extent to which such
15 changes are the result of the amendments made by this
16 Act. The review shall include the following:

17 (1) An assessment of the initial success of mar-
18 ket transition contracts under section 102A of the
19 Agricultural Act of 1949 in supporting the economic
20 viability of farming in the United States.

21 (2) An assessment of the food security situation
22 in the United States in the areas of trade, consumer
23 prices, international competitiveness of United
24 States production agriculture, food supplies, and hu-
25 manitarian relief.

1 (3) An assessment of the changes in farm land
2 values and agricultural producer incomes since the
3 date of the enactment of this Act.

4 (4) An assessment of the extent to which regu-
5 latory relief for agricultural producers has been en-
6 acted and implemented, including the application of
7 cost/benefit principles in the issuance of agricultural
8 regulations.

9 (5) An assessment of the extent to which tax
10 relief for agricultural producers has been enacted in
11 the form of capital gains tax reductions, estate tax
12 exemptions, and mechanisms to average tax loads
13 over high and low income years.

14 (6) An assessment of the effect of any Govern-
15 ment interference in agricultural export markets,
16 such as the imposition of trade embargoes, and the
17 degree of implementation and success of inter-
18 national trade agreements.

19 (b) SUBSEQUENT REVIEW.—The Commission shall
20 conduct a comprehensive review of the future of produc-
21 tion agriculture in the United States and the appropriate
22 role of the Federal Government in support of production
23 agriculture. The review shall include the following:

1 (1) An assessment of changes in the condition
2 of production agriculture in the United States since
3 the initial review conducted under subsection (a).

4 (2) Identification of the appropriate future rela-
5 tionship of the Federal Government with production
6 agriculture after 2002.

7 (3) An assessment of the manpower and infra-
8 structure requirements of the Department of Agri-
9 culture necessary to support the future relationship
10 of the Federal Government with production agri-
11 culture.

12 (c) RECOMMENDATIONS.—In carrying out the subse-
13 quent review under subsection (b), the Commission shall
14 develop specific recommendations for legislation to achieve
15 the appropriate future relationship of the Federal Govern-
16 ment with production agriculture identified under sub-
17 section (a)(2).

18 **SEC. 304. REPORTS.**

19 (a) REPORT ON INITIAL REVIEW.—Not later than
20 January 1, 1999, the Commission shall submit to the
21 President, the Committee on Agriculture of the House of
22 Representatives, and the Committee on Agriculture, Nu-
23 trition, and Forestry of the Senate a report containing the
24 results of the initial review conducted under section
25 303(a).

1 (a) REPORT ON SUBSEQUENT REVIEW.—Not later
2 than January 1, 2001, the Commission shall submit to
3 the President and the congressional committees specified
4 in subsection (a) a report containing the results of the
5 subsequent review conducted under section 303(b).

6 **SEC. 305. POWERS.**

7 (a) HEARINGS.—The Commission may, for the pur-
8 pose of carrying out this title, conduct such hearings, sit
9 and act at such times, take such testimony, and receive
10 such evidence, as the Commission considers appropriate.

11 (b) ASSISTANCE FROM OTHER AGENCIES.—The
12 Commission may secure directly from any department or
13 agency of the Federal Government such information, rel-
14 evant to its duties under this title, as may be necessary
15 to carry out such duties. Upon request of the chairman
16 of the Commission, the head of the department or agency
17 shall, to the extent permitted by law, furnish such infor-
18 mation to the Commission.

19 (c) MAIL.—The Commission may use the United
20 States mails in the same manner and under the same con-
21 ditions as the departments and agencies of the Federal
22 Government.

23 (d) ASSISTANCE FROM SECRETARY.—The Secretary
24 of Agriculture shall provide to the Commission appropriate

1 office space and such reasonable administrative and sup-
2 port services as the Commission may request.

3 **SEC. 306. COMMISSION PROCEDURES.**

4 (a) MEETINGS.—The Commission shall meet on a
5 regular basis (as determined by the chairman) and at the
6 call of the chairman or a majority of its members.

7 (b) QUORUM.—A majority of the members of the
8 Commission shall constitute a quorum for the transaction
9 of business.

10 **SEC. 307. PERSONNEL MATTERS.**

11 (a) COMPENSATION.—Each member of the Commis-
12 sion shall serve without compensation, but shall be allowed
13 travel expenses including per diem in lieu of subsistence,
14 as authorized by section 5703 of title 5, United States
15 Code, when engaged in the performance of Commission
16 duties.

17 (b) STAFF.—The Commission shall appoint a staff
18 director, who shall be paid at a rate not to exceed the
19 maximum rate of basic pay under section 5376 of title
20 5, United States Code, and such professional and clerical
21 personnel as may be reasonable and necessary to enable
22 the Commission to carry out its duties under this title
23 without regard to the provisions of title 5, United States
24 Code, governing appointments in the competitive service,
25 and without regard to the provisions of chapter 51 and

1 subchapter III of chapter 53 of such title, or any other
2 provision of law, relating to the number, classification, and
3 General Schedule rates. No employee appointed under this
4 subsection (other than the staff director) may be com-
5 pensated at a rate to exceed the maximum rate applicable
6 to level 15 of the General Schedule.

7 (c) DETAILED PERSONNEL.—Upon request of the
8 chairman of the Commission, the head of any department
9 or agency of the Federal Government is authorized to de-
10 tail, without reimbursement, any personnel of such depart-
11 ment or agency to the Commission to assist the Commis-
12 sion in carrying out its duties under this section. The de-
13 tail of any such personnel may not result in the interrup-
14 tion or loss of civil service status or privilege of such per-
15 sonnel.

16 **SEC. 308. TERMINATION OF COMMISSION.**

17 The Commission shall terminate upon submission of
18 the final report required by section 304.

19 **TITLE IV—SUSPENSION OF CER-**
20 **TAIN PROVISIONS REGARD-**
21 **ING PROGRAM CROPS**

22 **SEC. 401. WHEAT.**

23 (a) NONAPPLICABILITY OF CERTIFICATE REQUIRE-
24 MENTS.—Sections 379d through 379j of the Agricultural
25 Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) (relating

1 to marketing certificate requirements for processors and
2 exporters) shall not be applicable to wheat processors or
3 exporters during the period June 1, 1996, through May
4 31, 2003.

5 (b) SUSPENSION OF LAND USE, WHEAT MARKETING
6 ALLOCATION, AND PRODUCER CERTIFICATE PROVI-
7 SIONS.—Sections 331 through 339, 379b, and 379c of the
8 Agricultural Adjustment Act of 1938 (7 U.S.C. 1331
9 through 1339, 1379b, and 1379c) shall not be applicable
10 to the 1996 through 2002 crops of wheat.

11 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—
12 The joint resolution entitled “A joint resolution relating
13 to corn and wheat marketing quotas under the Agricul-
14 tural Adjustment Act of 1938, as amended”, approved
15 May 26, 1941 (7 U.S.C. 1330 and 1340) shall not be ap-
16 plicable to the crops of wheat planted for harvest in the
17 calendar years 1996 through 2002.

18 (d) NONAPPLICABILITY OF SECTION 107 PRO-
19 GRAM.—Section 107 of the Agricultural Act of 1949 (7
20 U.S.C. 1445a) shall not be applicable to the 1996 through
21 2002 crops of wheat.

22 **SEC. 402. FEED GRAINS.**

23 Section 105 of the Agricultural Act of 1949 (7 U.S.C.
24 1444b) shall not be applicable to the 1996 through 2002
25 crops of feed grains.

1 **SEC. 403. COTTON.**

2 (a) SUSPENSION OF BASE ACREAGE ALLOTMENTS,
3 MARKETING QUOTAS, AND RELATED PROVISIONS.—Sec-
4 tions 342, 343, 344, 345, 346, and 377 of the Agricultural
5 Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377)
6 shall not be applicable to any of the 1996 through 2002
7 crops of upland cotton.

8 (b) NONAPPLICABILITY OF SECTION 103 PRO-
9 GRAM.—Section 103(a) of the Agricultural Act of 1949
10 (7 U.S.C. 1444(a)) shall not be applicable to the 1996
11 through 2002 crops of upland cotton.

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